Welcome to BCG's Global Alumni Town Hall

- Thank you for joining us from a community of 25k people worldwide.

- This is our 3rd global live session after two successful webinars in April & May. We're glad to make this happen again!

- This challenging time has brought us together, but we wanted to connect with all of you as unique and valuable members of the BCG community.

- Before we begin, some housekeeping items:
  - You're all muted for a better audio experience
  - In case of tech issues, write to alumni_relations@bcg.com
  - We'll share these slides with you along with a global survey!
Key Speakers

Today

Rich Lesser
BCG CEO

Allison Bailey
Global Leader, People & Organization

Karalee Close
Global Leader, Technology Advantage

Adam Farber
Global Leader, Healthcare

Justin Dean
Leader of Washington D.C. office, Co-Chair of Racial Equity Team
What we'll cover

- CEO Update: How BCG is managing through this crisis for our people, our clients and our communities
- POP Tech implications
- Healthcare Practice perspectives
- BCG's commitment to racial equity
A TRULY UNIQUE YEAR FOR BCG:

• Doing well, given the environment; momentum better than expected

• Remarkably high uncertainty & dynamism in the world — BCG has pivoted very fast on many dimensions

• Remote work, works! (but is not easy)

• Client needs vary widely, 4 frequent themes:
  — Start Safe, Learn Fast, Survive, Thrive

• Largest, broadest contributions to society in our history:
  — Social Sector activity +35% ytd
  — Working with 40 countries + many state/province/local communities
  — Climate, Covid-19, Racial Equity/Justice, plus on-going themes of Food Security, Education, Health...

• The year ahead is likely to remain very challenging
Leading in the new reality will require fundamentally different approaches
80% of companies plan to accelerate digital transformation

Percentage of respondents' views on the priority of digital transformation post crisis:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Become more urgent</th>
<th>No change</th>
<th>Become lower priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>All industries</td>
<td>83%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>87%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>85%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Goods</td>
<td>84%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TMT</td>
<td>82%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>82%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Sector</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

However, only ~30% navigate a digital transformation successfully...

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1. Respondents asked if COVID-19 pandemic affected the urgency of their organization’s overall digital strategy
Source: DSR Digital Transformation 2020 Survey still ongoing with n=775 (Market Research), n=94 (BCG Case Experience)
Company of the future

Outcomes

Personalized customer experiences & relationships
New offers, services and business models

Purpose & Strategy

Technology:
Data and Digital Platform

Human:
Org, Talent, Ways of working

Human: Org, Talent, Ways of working

Technology:
Data and Digital Platform

Data & AI
Bionic Operations
Modular Technology
Dynamic Platform Organizations
Digital Talent
Emerging patterns in COVID times

Market capitalization
Indexed to Sep 1st 2019

- **Bionic companies (DAI>67, n=20)**
- **Mid-tier companies (DAI [43;67], n=60)**
- **Laggards (DAI<43, n=132)**

**CW08 (Feb 17th)**: Start of decline

**CW13 (Mar 23th)**: Start of recovery

Stronger performance of Bionic companies prior to crisis

Less decline

Faster recovery

Source: Capital IQ, DAI Global Database
This approach allows for creation and deployment of assets like BCG's Lighthouse.
BCG is helping companies execute remote work at scale

Find the right remote / onsite balance ...

Onsite work benefits
- Better social interaction
- Better group creativity and problem solving
- Use of office infrastructure

Remote work benefits
- Lower infrastructure costs
- Higher employee productivity, retention rates, and engagement
- Reduced commuting and travel time
- Better environmental footprint

... and the key factors making it work ...

Successful smart work

- Establishing the right culture and making it sustainable
- New leadership skills and new focus on performance management
- Right technology and infrastructure on all ends
- Smart office spaces and usage
- New travel policy

... for cost savings and workforce flexibility

Example

Insurance company

- ~40% target for remote work
- ~20-40% reduction in desks
- ~10%+ reduction in leasing expenses
- ~5-10% reduction in travel expenses

Source: BCG
Human: Technology
BCG's Healthcare Practice
Daily cases rising: cases in early July ~1.4x of June; ~55% of the confirmed cases have recovered globally

As of 10 July 2020

Daily new cases (seven-day rolling average)

- Daily cases rising: cases in early July ~1.4x of June;
- ~55% of the confirmed cases have recovered globally

**EPIDEMIC PROGRESSION**

- **4.7M** (Δ1.5%)\(^1\)
  - Active cases globally\(^4\)
  - (daily growth rate %)
- **6.9M** (55%)
  - # of recoveries\(^4\)
  - (% of confirmed cases)
- **560k** (Δ0.9%)\(^1\)
  - Fatalities globally
  - (daily growth rate %)

1. Growth calculated basis 7 day average; 2. Calculated as growth in monthly average of daily cases as compared to previous month; 3. Includes Middle East & Oceania; 4. Some countries like UK, Netherlands, Sweden do not report recoveries or active cases; 5. UK corrected confirmed cases on 3 July & reduced ~30k cases resulting in a dip in the cases in Europe

Source: Johns Hopkins CSSE; Our World in Data; BCG
As countries transition through fight phase, testing capacity ramp-up will continue to be critical

As countries continue to ramp-up testing capacity.

As of 10 July 2020

..they need to plan to move beyond testing symptomatic patients to greater degrees of population monitoring

Overall testing level required

Diagnose symptomatic patients

Test all contacts of positive cases

Surveillance of high risk and most vulnerable populations

Test\(^3\) for immunity in vaccinated patients

As countries continue to ramp-up testing capacity, they need to plan to move beyond testing symptomatic patients to greater degrees of population monitoring.

**Non-exhaustive**

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1. Taken as 7-day rolling average; 2. Includes Middle East & Australia; 3. Tests for testing immune response to vaccines may be different from current ones to test infection

Source: Our World in Data, Worldometer, BCG
## COVID-19 most lethal for elderly with underlying conditions

<table>
<thead>
<tr>
<th>Underlying condition status</th>
<th>Age</th>
<th>Share of US population (%)</th>
<th>Share of US workforce (%)</th>
<th>Estimated hospitalization rate among those infected (%)&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Estimated fatality rate among those infected (%)&lt;sup&gt;2,3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>With underlying conditions&lt;sup&gt;1&lt;/sup&gt;</td>
<td>&gt; 65</td>
<td>7</td>
<td>2</td>
<td>17–25</td>
<td>4–7</td>
</tr>
<tr>
<td></td>
<td>50-64</td>
<td>6</td>
<td>6</td>
<td>3.4–5.0</td>
<td>0.4–0.8</td>
</tr>
<tr>
<td></td>
<td>18-49</td>
<td>6</td>
<td>9</td>
<td>2.4–3.6</td>
<td>0.1–0.2</td>
</tr>
<tr>
<td></td>
<td>&lt; 18</td>
<td>2</td>
<td>0</td>
<td>1.0–1.6</td>
<td>0.1–0.2</td>
</tr>
<tr>
<td>Without underlying conditions</td>
<td>&gt; 65</td>
<td>10</td>
<td>4</td>
<td>2.0–3.0</td>
<td>0.4–0.9</td>
</tr>
<tr>
<td></td>
<td>50-64</td>
<td>14</td>
<td>21</td>
<td>1.3–1.6</td>
<td>0.1–0.2</td>
</tr>
<tr>
<td></td>
<td>18-49</td>
<td>37</td>
<td>55</td>
<td>0.3–0.4</td>
<td>&lt;0.02</td>
</tr>
<tr>
<td></td>
<td>&lt; 18</td>
<td>18</td>
<td>3</td>
<td>&lt;0.05</td>
<td>&lt;0.01</td>
</tr>
</tbody>
</table>

**Sources:** Centers for Disease Control (CDC); New York City Department of Health and Mental Hygiene; South Korean government; BCG analysis.

<sup>1</sup>Underlying conditions are those that are identified by the CDC as making people more vulnerable to coronavirus. The underlying conditions include obesity (a body mass index that is greater than 40), diabetes, chronic heart disease, respiratory disease, and kidney and liver disease.

<sup>2</sup>Derived using the CDC’s data on COVID-19 net hospitalizations, South Korea’s hospitalization data, and data from the New York City Department of Health and Mental Hygiene.

<sup>3</sup>Rates do not account impact of limited hospital capacity.
Most countries that took significant testing and tracing actions prior to large outbreaks, controlled the epidemic better

As of 10 July 2020

**Daily new cases per million**

<table>
<thead>
<tr>
<th>Country</th>
<th>Cumulative Cases / M</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>9,420</td>
</tr>
<tr>
<td>Sweden</td>
<td>7,360</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4,237</td>
</tr>
<tr>
<td>Italy</td>
<td>4,009</td>
</tr>
<tr>
<td>Germany</td>
<td>2,365</td>
</tr>
<tr>
<td>Australia</td>
<td>355</td>
</tr>
<tr>
<td>South Korea</td>
<td>260</td>
</tr>
<tr>
<td>Japan</td>
<td>161</td>
</tr>
</tbody>
</table>

Note: India undertook significant action prior to large outbreak; however, wasn’t very successful in controlling the outbreak.

1. Calculated as a 7-day rolling average; 2. 4TIQ = Test, trace, track, technology, isolate and quarantine

Source: Johns Hopkins CSSE, BCG
Treatments & Vaccines | Development moving at unprecedented pace; next questions will be safety, efficacy, and population coverage

As of 13 July 2020

**Treatments**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Candidates in Clinical Trials</th>
<th>Of which, have been approved for treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>83</td>
<td>10</td>
</tr>
<tr>
<td>I/II</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>II</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>II/III</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>III</td>
<td>142</td>
<td></td>
</tr>
</tbody>
</table>

**Vaccines**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Candidates in Clinical Trials</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>171</td>
</tr>
<tr>
<td>I/II</td>
<td>10</td>
</tr>
<tr>
<td>II</td>
<td>8</td>
</tr>
<tr>
<td>II/III</td>
<td>3</td>
</tr>
<tr>
<td>III</td>
<td>2</td>
</tr>
</tbody>
</table>

We have made amazing progress in the treatment of COVID-19. Two therapies - steroids and Remdesivir - have already been shown to help.

- Dr. William Petri, Professor of Medicine, University of Virginia

By the beginning of 2021, we hope to have a couple of hundred million doses. I'm cautiously optimistic with the multiple candidates we have with different platforms.

- Dr. Anthony Fauci, Member, White House Coronavirus Task Force

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1. Pre-clinical trials; 2. Three Treatments are approved to treat COVID-19: Dexamethasone in the UK; Avigan (favipiravir) in China, Italy and Russia + emergency use in India; and Veklury (Remdesivir) in Japan + emergency use in US, India, South Korea and EU; in addition, Itolizumab has emergency use authorization in India.

Source: WHO (July 13), Milken Institute (July 14), Press search, BCG
Racial Equity Update
Recent US events have highlighted the longstanding inequities for black community. "Bad outcomes" for Black Americans 1.5x to 7x worse than that of White American counterparts.

Recent Events
- **Healthcare**: Black communities are disproportionately impacted by COVID-19
- **Education**: Black students will struggle more as a result of distance-learning
- **Criminal/Legal**: Black communities have suffered from numerous police killings
- **Child Welfare**: Black children are at higher risk as a result of all of these systemic injustices
- **Finance**: Black populations are most impacted by economic impact of COVID-19

Source: The Groundwater Approach: Building a Practical Understanding of Structural Racism, Bayard Love and Deena Hayes-Greene of the Racial Equity Institute; BCG Analysis
A holistic response to racial equity requires three lenses

Diversity, racial equity, and inclusion as business drivers
- Drive innovation and create value by directly serving broader market segments
- Leverage supplier and distributor diversity as a competitive advantage
- Eliminate systemic bias in business practices and strategies

Diverse, equitable and inclusive team and culture
- Mitigate bias through equitable personnel policies (hiring, development, retention)
- Create a culture of inclusion that supports diversity and racial equity

Deploying resources for social and systemic change
- Use of voice, influence, philanthropy to catalyze change
- Build coalitions to amplify commitments within industry
Our Commitments to advancing Racial Equity

Expanding all our diversity networks to be inclusive of all parts of BCG in North America. Business Services, Consulting, Global Services in North America, Knowledge@BCG, and staff at our specialty businesses are able to join our D&I Networks.

Catalyzing change by investing $100 million of our talent resources over five years. Establishing multi-year partnerships with leading organizations addressing racial injustice and inequality.

Accelerating representation of Black BCGers and further committing to make BCG a place where all talent thrives. Driving retention parity, increasing representation in leadership, education of leaders and staff, enhanced sponsorship and development, via inclusion and other initiatives.

Advancing the pursuit of racial equity with our clients through a lens of Total Societal Impact. Using this lens to ensure racial equity is prominent.

Strengthening our supplier diversity effort by innovating our Minority/Women-owned Business Enterprise (MWBE) supplier policy and measuring the diversity of our vendors.

Fostering accountability by accelerating the clarity, ambition, and measurement of our goals. What we aspire to, what we are working on, what progress we are making.

Donating $1 million spread over five years to organizations leading the change
Where we are against our commitments

- **17** Projects launched in 2020
- **$8M+** Investments deployed by BCG globally
- **154** BCG employees
- **40+** External discussions

Projects launched to address racial equity (external & within BCG)
Investments deployed by BCG globally
Leadership and employees focused on supporting our equity efforts
CEO and C-suite client discussions convened around social justice / racial equity topic
Examples of BCG's racial equity support

CEO Business Roundtable: Special Committee on Racial Equality & Justice

Management Leadership for Tomorrow: Black Equity Workplace Index & Corporate Accreditation

Challenge Seattle / Washington Roundtable: Racial Equity for Black Washingtonians

City of Atlanta: Police reform in collaboration with Mayor’s office and Chief of Police
Closing Round
Thank you for joining us today

Resources available to support you:

Global Alumni Team is ready to help you at alumni_relations@bcg.com

Local Alumni Teams in every BCG office. Check www.bcg.com/alumni/groups.aspx

Weekly new content on COVID-19 available at bcg.com & a refreshed bcg.com/alumni with videos, news and career tips

Dedicated social media groups to BCG Alumni in Facebook and LinkedIn

Your data is valuable; please keep your information updated so you never miss a message and an invitation!